

FIG. 2 is a flowchart of the process for calculating user value contribution.

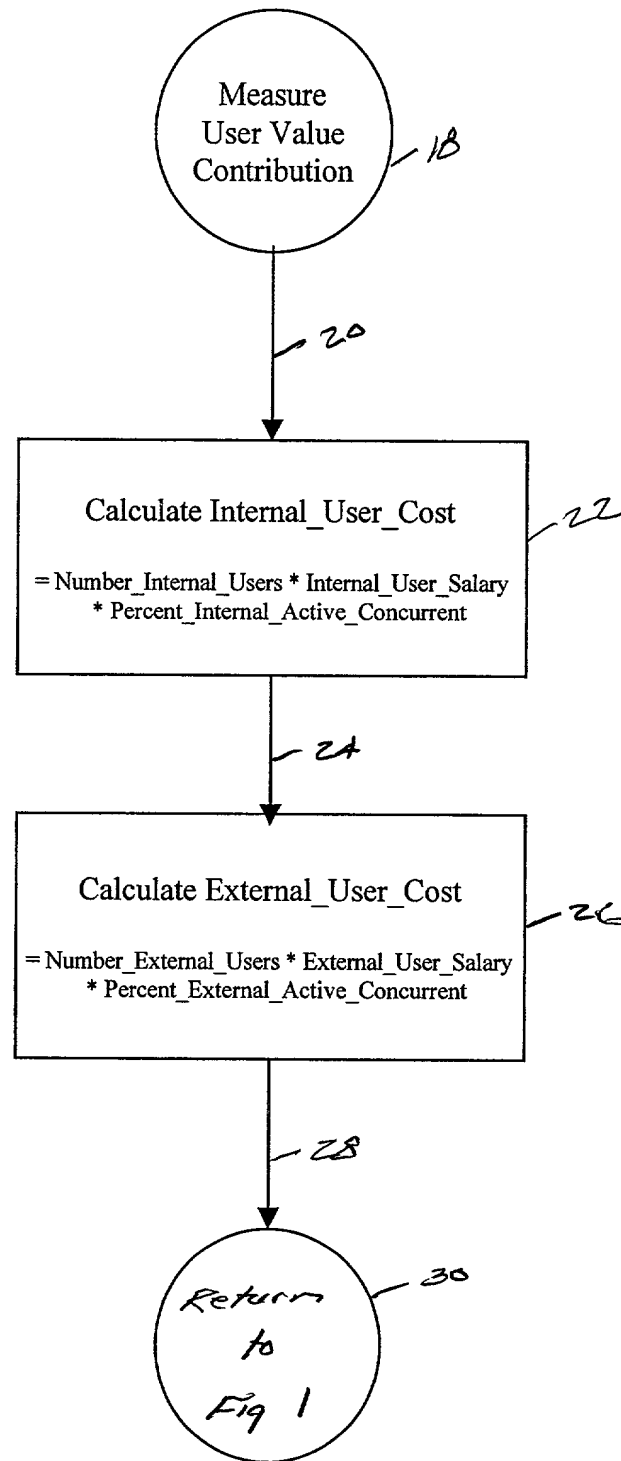


FIG 2

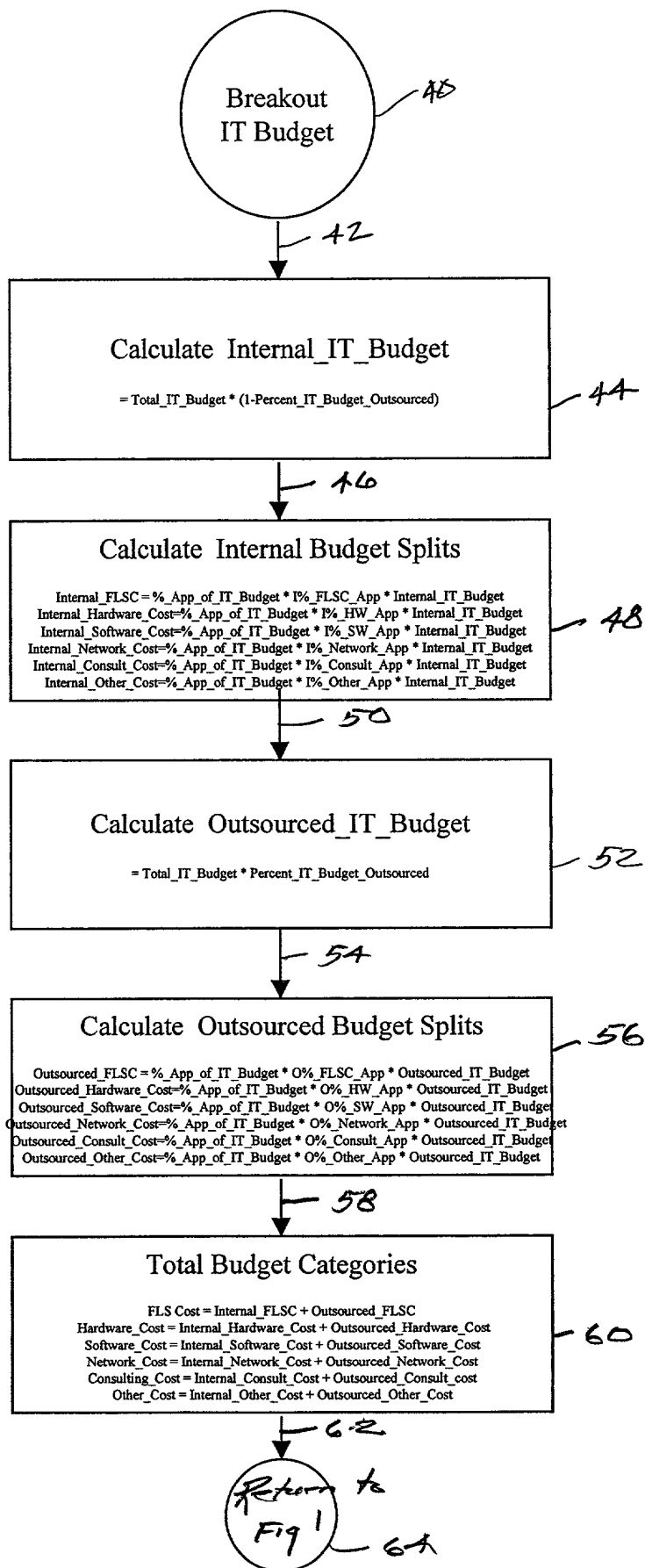


Fig 3

# Breakout Staffing Costs & Resources

**Calculate Gross Cost by Function**

$IGC\_Sr\_Mgr = \%\_Sr\_Mgr\_Internal * Average\_Salary\_Sr\_Mgr$   
 $IGC\_New\_Dev = \%\_New\_Dev\_Internal * Average\_Salary\_New\_Dev$   
 $IGC\_Maint\_Dev = \%\_Maint\_Dev\_Internal * Average\_Salary\_Maint\_Dev$   
 $IGC\_Ops = \%\_Ops\_Internal * Average\_Salary\_Ops$   
 $IGC\_Tech = \%\_Tech\_Internal * Average\_Salary\_Tech$   
 $IGC\_Other\_Staff = \%\_Other\_Staff\_Internal * Average\_Salary\_Other\_Staff$   
 $OGC\_Sr\_Mgr = \%\_Sr\_Mgr\_Outsourced * Average\_Salary\_Sr\_Mgr$   
 $OGC\_New\_Dev = \%\_New\_Dev\_Outsourced * Average\_Salary\_New\_Dev$   
 $OGC\_Maint\_Dev = \%\_Maint\_Dev\_Outsourced * Average\_Salary\_Maint\_Dev$   
 $OGC\_Ops = \%\_Ops\_Outsourced * Average\_Salary\_Ops$   
 $OGC\_Tech = \%\_Tech\_Outsourced * Average\_Salary\_Tech$   
 $OGC\_Other\_Staff = \%\_Other\_Staff\_Outsourced * Average\_Salary\_Other\_Staff$

**Summarize Gross Cost**

$Sum\_IGC = IGC\_Sr\_Mgr + IGC\_New\_Dev + IGC\_Maint\_Dev + IGC\_Ops + IGC\_Tech + IGC\_Other\_Staff$   
 $Sum\_OGC = OGC\_Sr\_Mgr + OGC\_New\_Dev + OGC\_Maint\_Dev + OGC\_Ops + OGC\_Tech + OGC\_Other\_Staff$

**Calculate Percents by Cost**

$I\%\_Sr\_Mgr\_Cost = IGC\_Sr\_Mgr / Sum\_IGC$   
 $I\%\_New\_Dev\_Cost = IGC\_New\_Dev / Sum\_IGC$   
 $I\%\_Maint\_Dev\_Cost = IGC\_Maint\_Dev / Sum\_IGC$   
 $I\%\_Ops\_Cost = IGC\_Ops / Sum\_IGC$   
 $I\%\_Tech\_Cost = IGC\_Tech / Sum\_IGC$   
 $I\%\_Other\_Staff\_Cost = IGC\_Other\_Staff / Sum\_IGC$   
 $O\%\_Sr\_Mgr\_Cost = OGC\_Sr\_Mgr / Sum\_OGC$   
 $O\%\_New\_Dev\_Cost = OGC\_New\_Dev / Sum\_OGC$   
 $O\%\_Maint\_Dev\_Cost = OGC\_Maint\_Dev / Sum\_OGC$   
 $O\%\_Ops\_Cost = OGC\_Ops / Sum\_OGC$   
 $O\%\_Tech\_Cost = OGC\_Tech / Sum\_OGC$   
 $O\%\_Other\_Staff\_Cost = OGC\_Other\_Staff / Sum\_OGC$

**Normalize Cost by Function**

$Sr\_Mgr\_Cost\_Internal = FLS\_Cost * I\%\_Sr\_Mgr\_Cost$   
 $New\_Dev\_Cost\_Internal = FLS\_Cost * I\%\_New\_Dev\_Cost$   
 $Maint\_Dev\_Cost\_Internal = FLS\_Cost * I\%\_Maint\_Dev\_Cost$   
 $Ops\_Cost\_Internal = FLS\_Cost * I\%\_Ops\_Cost$   
 $Tech\_Cost\_Internal = FLS\_Cost * I\%\_Tech\_Cost$   
 $Other\_Staff\_Cost\_Internal = FLS\_Cost * I\%\_Other\_Staff\_Cost$   
 $Sr\_Mgr\_Cost\_Outsourced = FLS\_Cost * O\%\_Sr\_Mgr\_Cost$   
 $New\_Dev\_Cost\_Outsourced = FLS\_Cost * O\%\_New\_Dev\_Cost$   
 $Maint\_Dev\_Cost\_Outsourced = FLS\_Cost * O\%\_Maint\_Dev\_Cost$   
 $Ops\_Cost\_Outsourced = FLS\_Cost * O\%\_Ops\_Cost$   
 $Tech\_Cost\_Outsourced = FLS\_Cost * O\%\_Tech\_Cost$   
 $Other\_Staff\_Cost\_Outsourced = FLS\_Cost * O\%\_Other\_Staff\_Cost$

**Summarize Cost by Function**

$Sr\_Mgr\_Cost = Sr\_Mgr\_Cost\_Internal + Sr\_Mgr\_Cost\_Outsourced$   
 $New\_Dev\_Cost = New\_Dev\_Cost\_Internal + New\_Dev\_Cost\_Outsourced$   
 $Maint\_Dev\_Cost = Maint\_Dev\_Cost\_Internal + Maint\_Dev\_Cost\_Outsourced$   
 $Ops\_Cost = Ops\_Cost\_Internal + Ops\_Cost\_Outsourced$   
 $Tech\_Cost = Tech\_Cost\_Internal + Tech\_Cost\_Outsourced$   
 $Other\_Staff\_Cost = Other\_Staff\_Cost\_Internal + Other\_Staff\_Cost\_Outsourced$

**Calculate FTEs by Function**

$Sr\_Mgr\_Internal = IT\_Staff\_Count\_Internal * \%\_Sr\_Mgr\_Internal$   
 $New\_Dev\_Internal = IT\_Staff\_Count\_Internal * \%\_New\_Dev\_Internal$   
 $Maint\_Dev\_Internal = IT\_Staff\_Count\_Internal * \%\_Maint\_Dev\_Internal$   
 $Ops\_Internal = IT\_Staff\_Count\_Internal * \%\_Ops\_Internal$   
 $Tech\_Internal = IT\_Staff\_Count\_Internal * \%\_Tech\_Internal$   
 $Other\_Staff\_Internal = IT\_Staff\_Count\_Internal * \%\_Other\_Staff\_Internal$   
 $Sr\_Mgr\_Outsourced = IT\_Staff\_Count\_Outsourced * \%\_Sr\_Mgr\_Outsourced$   
 $New\_Dev\_Outsourced = IT\_Staff\_Count\_Outsourced * \%\_New\_Dev\_Outsourced$   
 $Maint\_Dev\_Outsourced = IT\_Staff\_Count\_Outsourced * \%\_Maint\_Dev\_Outsourced$   
 $Ops\_Outsourced = IT\_Staff\_Count\_Outsourced * \%\_Ops\_Outsourced$   
 $Tech\_Outsourced = IT\_Staff\_Count\_Outsourced * \%\_Tech\_Outsourced$   
 $Other\_Staff\_Outsourced = IT\_Staff\_Count\_Outsourced * \%\_Other\_Staff\_Outsourced$

**Summarize FTEs by Function**

$Sr\_Mgr = Sr\_Mgr\_Internal + Sr\_Mgr\_Outsourced$   
 $New\_Dev = New\_Dev\_Internal + New\_Dev\_Outsourced$   
 $Maint\_Dev = Maint\_Dev\_Internal + Maint\_Dev\_Outsourced$   
 $Ops = Ops\_Internal + Ops\_Outsourced$   
 $Tech = Tech\_Internal + Tech\_Outsourced$   
 $Other\_Staff = Other\_Staff\_Internal + Other\_Staff\_Outsourced$

**Build Summary Budget Categories**

$HW\_SW\_Network\_Cost = Hardware\_Cost + Software\_Cost + Network\_Cost$   
 $Cons\_Oth\_Cost = Consulting\_Cost + Other\_Cost$   
 $IT\_Staff\_Cost = Sr\_Mgr\_Cost + New\_Dev\_Cost + Maint\_Dev\_Cost + Ops\_Cost + Tech\_Cost + Other\_Staff\_Cost$   
 $IT\_Budget = HW\_SW\_Network\_Cost + Cons\_Oth\_Cost + IT\_Staff\_Cost$

Return to Fig 1

Fig 4

120  
Calculate Total & Net  
Application Value

122  
Calculate Base Uplift

= Revenue / (Employees \* Average\_Salary)

124  
Normalize Application Uplifts

126  
$$\text{Application\_Uplift} = \frac{\text{Application\_Specific\_Uplift} * \text{Base\_Uplift}}{\text{Sum of Application\_Specific\_Uplift's}}$$

128  
Calculate Interdependencies

130  
$$\text{Interdependency\_Factor} = \text{Sum of \%Allocate, for all applications in the portfolio}$$

132  
Calculate Total Value

134  
$$\text{Base\_Application\_Value} = \text{Internal\_User\_Cost} * \text{Interdependency\_Factor}$$
$$\text{Total\_Application\_Value} = \text{Base\_Application\_Value} * \text{Application\_Uplift} + \text{External\_User\_Cost}$$

136  
Calculate Unavailability

138  
Calculate Potential\_Total\_Loss

140  
Calculate Inflexibility

142  
$$\text{Inflexibility} = \text{Maint\_Dev} * \text{Average\_Salary\_Maint\_Dev} * \left( \frac{\text{Sum of Total\_Application\_Value}}{\text{Sum of Total\_IT\_Budget}} \right)$$

162  
Calculate Net\_Application\_Value

200  
$$\text{Net\_Application\_Value} = \text{Total\_Application\_Value} - \text{Total\_IT\_Budget} - \text{Internal\_User\_Cost} - \text{Potential\_Total\_Loss} - \text{Inflexibility}$$

202  
Return to  
Fig 1

204  
FIG 5

140

Calculate Unavailability 142

144

Calculate Typical\_Availability 146

= (Scheduled\_Hours - Downtime) / Scheduled\_Hours

148

Lookup Impact\_of\_Outage 150

152

Calculate Unavailability 154

= Total\_Application\_Value \* (1 - Typical\_Availability) \*  
Impact\_of\_Outage

156

Return to  
Fig 5 158

FIG 6

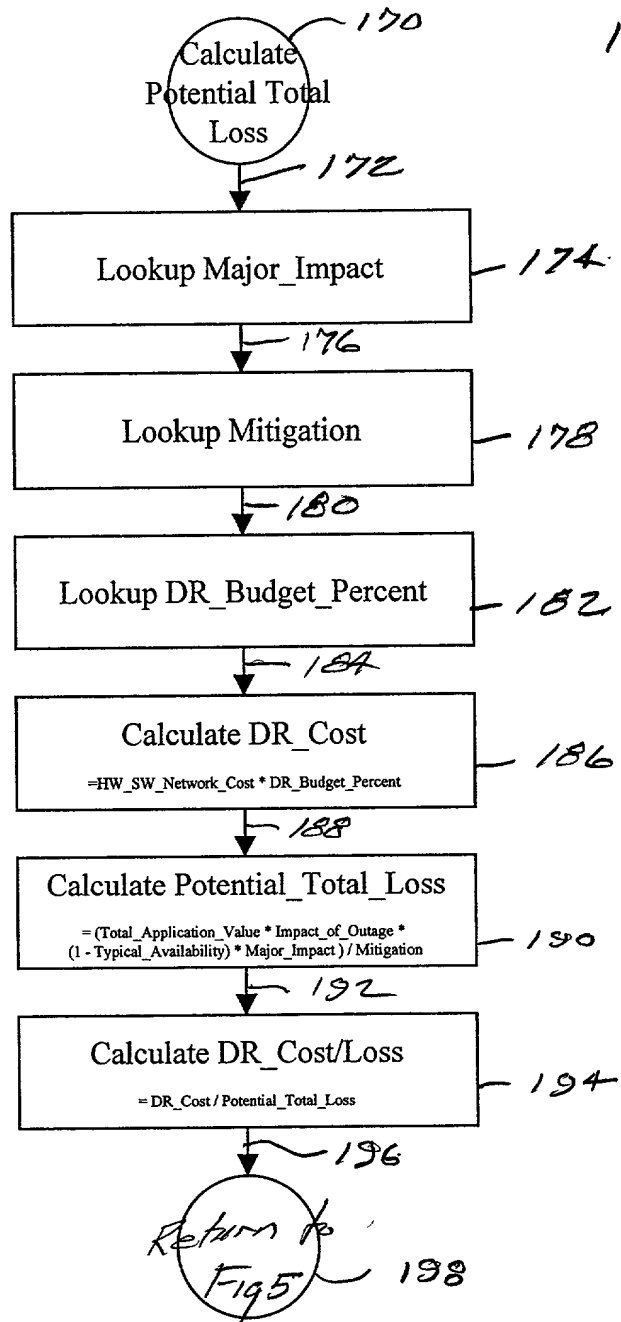


Fig 7